

AD-HOC RELEASE

Pursuant to Section 15 of the German Securities Trading Act (WpHG)

Phoenix Solar focuses on international operations and new business models

Financing extended until end of March 2015 / Change in the position of CEO

Sulzemoos 11 February 2013 / Phoenix Solar AG (ISIN DE000A0BVU93), a photovoltaic system integrator listed on the Prime Standard of the Frankfurt Stock Exchange, has decided to part company with a number of loss making operations due to the fact that the market environment raises severe doubts about their recovery in the near term.

Subsequently, Phoenix Solar will lay enhanced focus on the strongly growing regions of Asia and the USA where its regional subsidiaries have successfully established themselves in their respective markets. The North American and Asian operations have ramped up the capacities and competencies necessary to sustainably manage, develop and expand their businesses in an operationally independent manner. In Europe, the French and Greek subsidiaries are well positioned and profitable. Capacities in Spain and Italy on the other hand have been significantly reduced in view of the uncertainties in their local markets and their challenges in reaching earnings targets. The subsidiary based in Oman is to be closed.

The components & systems and the power plant businesses in Germany will be divested. In addition to the components & systems and power plant activities of the aforementioned international subsidiaries, the profitable operations & maintenance unit, as well as the development of new business models for the project and distribution businesses, will remain an important focus of the company moving forward.

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Financing for the Group will continue to be secured by Phoenix Solar AG. The lending banks have been consulted in detail about this shift in strategy towards a fast return to profitable growth. Today, the company signed contract amendments regarding the corresponding credit agreements. Accordingly, the total financing volume was slightly adjusted down to approximately EUR 126 million. The credit lifetime was extended ahead of schedule by another year from 31 March 2014 to 31 March 2015.

This shift in strategy will necessitate that extraordinary expenses - largely write-downs and provisions - be accounted for in the financial statements as of 31 December 2012. Prior to these extraordinary expenses of approximately EUR 8 million, the most recent revenue and earnings forecasts for the 2012 financial year would have been fully met. Including these expenses, however, preliminary figures show operating losses (negative EBIT) of around EUR 32 million (operating losses 2011: EUR 84.7 million; previously forecasted for 2012: EUR 25 million to EUR 19 million operating losses). In contrast to previous expectations for 2013, Phoenix Solar now expects its revenues to reach EUR 160 million to EUR 190 million, significantly less than the original forecast of EUR 280 million to EUR 310 million. The previous earnings forecast (EBIT less restructuring expenses), however, of around EUR 5 million losses and EUR 0 million is being maintained.

Dr. Andreas Hänel, founding Director of Phoenix Solar AG, today announced his resignation from his position as member of the Board of Management ahead of time and effective 28 February 2013. Dr. Hänel will continue to serve the company in a consulting capacity. Also today, the Supervisory Board has appointed Dr. Bernd Köhler CEO effective 1 March 2013. Dr. Köhler will continue to also serve as CFO of the company.

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